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DEPT PASS USTR FOR KATE DUCKWORTH  
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SUBJECT: BRAZIL:ITAMARATY TRADE A/S - ECONOMIC DIALOGUE

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11. (U) SUMMARY: Carlos Marcio Cozendey, director of the MRE Economic Department (A/S equivalent) has the lead on the Economic Dialogue and provided feedback on the December 13 agenda in a recent meeting with EconCouns. (See ref B for expanded Brazilian feedback on details of the dialogue). Cozendey also explained the organization of his department and commented on the WTO negotiations. END SUMMARY

2.(U) On the Economic Dialogue, Cozendey mentioned Itamaraty has some reluctance to talk much about GMOs as this topic is currently the subject of much inter-ministry disagreement on what Brazil's position should be (with Environment strongly against and Agriculture for agricultural biotechnology). On civil aviation negotiations, he noted that, as MRE does not have the lead for Brazil on this issue, welcoming the Dec 5-7 talks is about the level of substance expected in the December 13 session. Similarly, they do not expect heavy substance on telecom where MRE also does not have the lead. On "sectors," Cozendey said the Brazilian textiles industry is the only sector that actively asked for a dialogue with US; the other proposed sectors were MRE ideas. The Brazilian textiles industry originally wanted to talk to US industry about pushing for a preferential US/Brazil agreement that would exclude China (they wanted a similar dialogue with EU), according to Cozendey, but MRE said that was a no-go. Instead, MRE is willing to support an industry to industry dialogue on exploiting export markets more effectively. He said MRE learned there is already a similar industry to industry process for the steel sector led by DOC and USTR, so they now do not expect steel to be included as a "sectoral" conversation in the Economic Dialogue. He said MRE envisions the Dialogue as a mix of issues where: 1) MRE/DOS have the lead and can actively engage together; and 2) issues where MRE/DOS push might help give impetus to issues/processes led by other agencies.

3.(U) Cozendey noted Economics U/S Avevedo oversees three departments: his, responsible for WTO, OECD, UNCTAD and other IOs plus bilateral economic issues including disputes, antidumping, agriculture, market access, and services/investment; Didonet's Department (see ref a); and the Science and Technology Department that covers intellectual property and sci/tech. Cozendey noted that U/S for South America (now Enio Cordeiro) has the lead for intra-Mercosul cooperation and regional integration and would logically have the lead on regional infrastructure cooperation for MRE (see septel readout of meeting with Integration A/S Cardoso).

14. (SBU) Commenting on the WTO Round, Cozendey said "success depends on you." He said there was a lot of fear that upcoming elections in the United States would constrain the ability to reach a deal. "That's why I hold my cards close to my chest. I don't want to

reveal a final position, then leave it hanging out there. If negotiations fritter out, nothing will happen until 2013."

¶5. (SBU) As Avezedo's deputy on WTO trade issues, Cozendey maintains a heavy travel schedule and is comparatively rarely in Brazil. His English is perfect, he can read upside-down and is clearly an experienced, and personable, negotiator. He was in Brussels at the Brazilian mission to the European Union before assuming his current position two years ago. Cozendey joined the diplomatic corps in 1987, was at Marrakesh with Amorim (as the only minion among four Brazilian Ambassadors, he fondly remembered) and has previously served at ALADI, the Brazilian mission to Mercosul in Montevideo, and as head of the Mercosul office in Brasilia.

CHICOLA